



Austin Energy's Strategic Plan and Monthly Performance Dashboard: Employee Engagement

March 2017





Austin Energy's Strategic Goals

Financial Health: Long-term financial resiliency that ensures cost recovery, provides market competitiveness, delivers operational excellence and creates value for customers and the Austin community

Customer Collaboration: New heights in customer satisfaction through increased collaboration, varied and high quality services, programs, and delivery methods and competitive pricing that strengthen customer loyalty

Environment: Minimized environmental footprint throughout Austin Energy's value chain

Employee Engagement: Employees are safe, healthy and engaged, and equipped with tools and training to effectively perform their work

Business Excellence: Best Managed Utility culture where customer needs are thoroughly and efficiently achieved through optimal use of resources

Grid Modernization: Innovative two-way grid utilizing customer and company infrastructure to deliver superior reliability and customer experience at the lowest reasonable cost



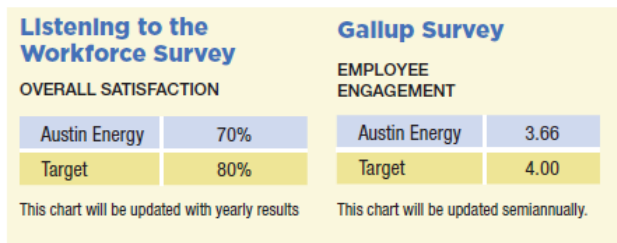


Why Employee Engagement is Vital to Austin Energy

- All of the areas of the Austin Energy strategic plan are enabled by our workforce
- Austin Energy competes for talent across many sectors that are prominent in Austin and the energy industry
- Austin Energy's workforce profile indicates that the organization will have a significant wave of retirements over the next 3-5 years
- Recruiting, retaining and developing our workforce is essential to maintaining and improving the utility's competitive posture
- Focus areas for the utility are worker safety, engagement/satisfaction, and recruiting metrics.

Monthly Performance Dashboard

EMPLOYEE ENGAGEMENT



← Strategic goal panel

Employee surveys

Target set by management expectation

Safety Incidents

	FY to Dec 2016	Previous FY through Dec 2015	Industry Comparison	Target
Recordable Incident Rate*	1.20	2.62	2.40	0
Lost Time Incident Rate*	0.00	0.52	0.70	0

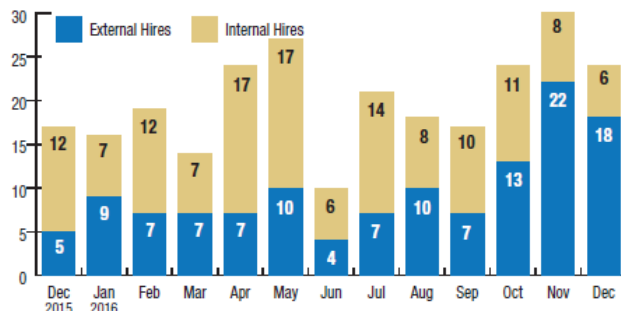
*per 100 employees

Employee safety metrics

Targets set by best practices

Austin Energy Hiring

Total Hires — External: 126 | Internal: 135



*Each internal hire results in a subsequent vacancy.

Employee hiring performance

Trends measured by management

Vacancies

AVERAGE VACANCIES AND DAYS VACANT PER MONTH

	Oct	Nov	Dec	Target
Vacancy Rate per Month (%)	6.3	5.9	6.6	≤6.0
Average Days Vacant	177	193	178	≤120

TOTAL VACANCIES AS OF DEC 2016: 114



Vacancy metrics

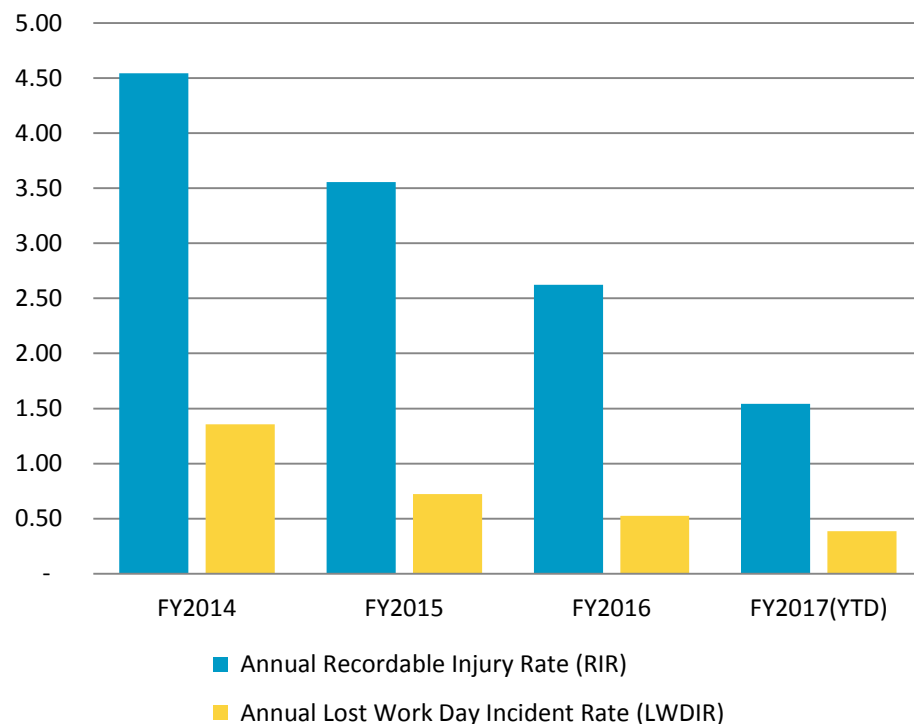
Targets set according to Council's approved budget and management expectations



Measuring Safety

- Austin Energy strives to be injury free
- Safety performance has improved year over year
- Utility work is hazardous, frequency & severity both matter
- Focus areas for the utility
 - Near miss reporting
 - Training
 - Job preparation
 - ESD – grassroots teams, mobility program
- Target zero is our goal

Safety Performance



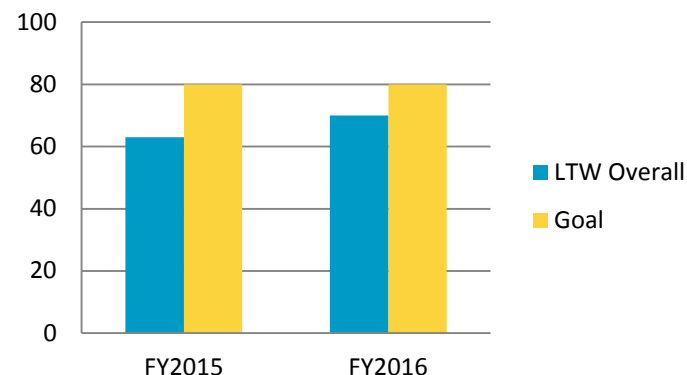
Measuring Employee Engagement

- **Listening to the Workforce**
 - Annual survey conducted for all COA employees
 - Measures many attributes of city employment (85 questions)
 - COA goal to improve employee satisfaction

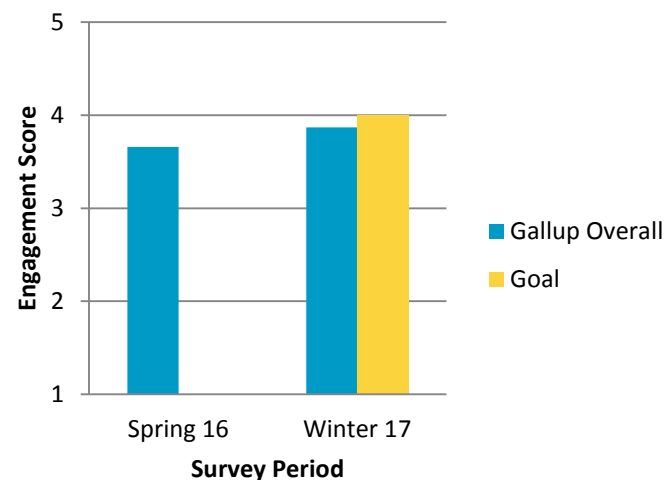
- **AE Employee Engagement Survey by Gallup**
 - AE Semi-annual survey focusing on 12 elements of employee engagement
 - Measured against other surveyed companies
 - Gallup found correlation between these 12 questions & better performance in safety, retention, profitability, performance, etc.
 - AE uses workgroup results to form action plans to drive improvement

- **Tools for management to identify and improve areas of workplace satisfaction & employee engagement**

LTW Overall Satisfaction



Gallup Overall Engagement

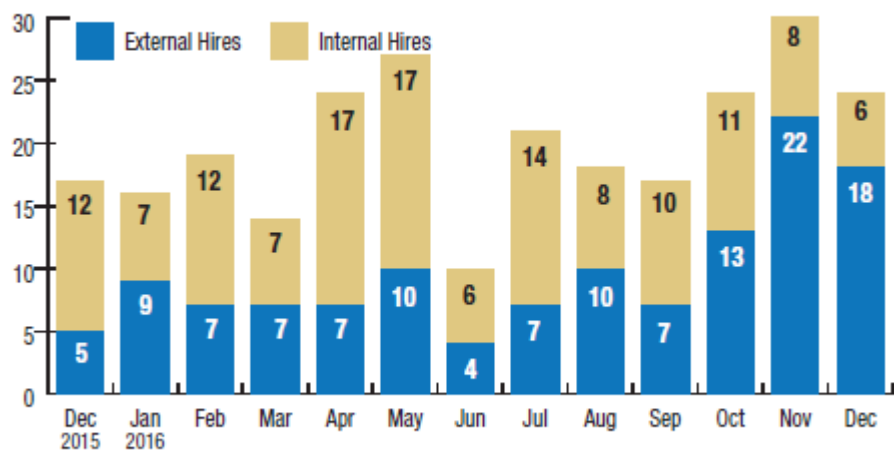




Austin Energy Hiring

The role of Austin Energy's Human Resources division is to recruit and retain a well-qualified and engaged workforce.

Austin Energy Hiring Total Hires — External: 126 | Internal: 135



*Each internal hire results in a subsequent vacancy.

Reasons for Employees Leaving Austin Energy

Deceased	2
Resigned	30
Retired	61
Discharged	3
Transferred to other COA departments	31
Promoted	101
Total	228

Austin Energy's Human Resources

- Works in unison with the City of Austin Human Resources Department (HRD)
- Work groups include:
 - Workforce Recruitment
 - Employee Relations
 - Benefits
 - Payroll (manual timesheets)
- Austin Energy has 1,718 full-time positions and 122 part-time/temporary positions located at 8 major work locations
- 44% of Austin Energy vacancies are the result of internal promotions
- 27% are the result of retirements

Vacancies

AVERAGE VACANCIES AND DAYS VACANT PER MONTH

	Oct	Nov	Dec	Target
Vacancy Rate per Month (%)	6.3	5.9	6.6	≤6.0
Average Days Vacant	177	193	178	≤120

- Vacancy Rate = Filled Positions / Authorized Positions
 - Adjusted to reflect recent terminations and hires
 - Target is ≤ 6%
 - Austin Energy's labor budget assumes a 6% vacancy
 - Internal hires do not change the vacancy rate
- Average Days Vacant = Sum of days vacant / total number of vacancies
 - Target is ≤ 120 days
 - Based upon hiring process timeline
 - Greatly influenced by hard to fill positions

Hard to Fill Positions

- Account Representative
- Account Representative Senior
- Distribution Electrician III
- Energy Market Analyst Sr.
- Engineer A, B, C
- Program Manager, Environmental Conservation
- Financial Analyst IV
- Accountant IV
- Power System Engineer
- Power System Engineer Sr.
- Power System Managing Engineer
- Power System Principal Engineer
- Project Manager Operations/Compliance

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Austin Energy Hiring

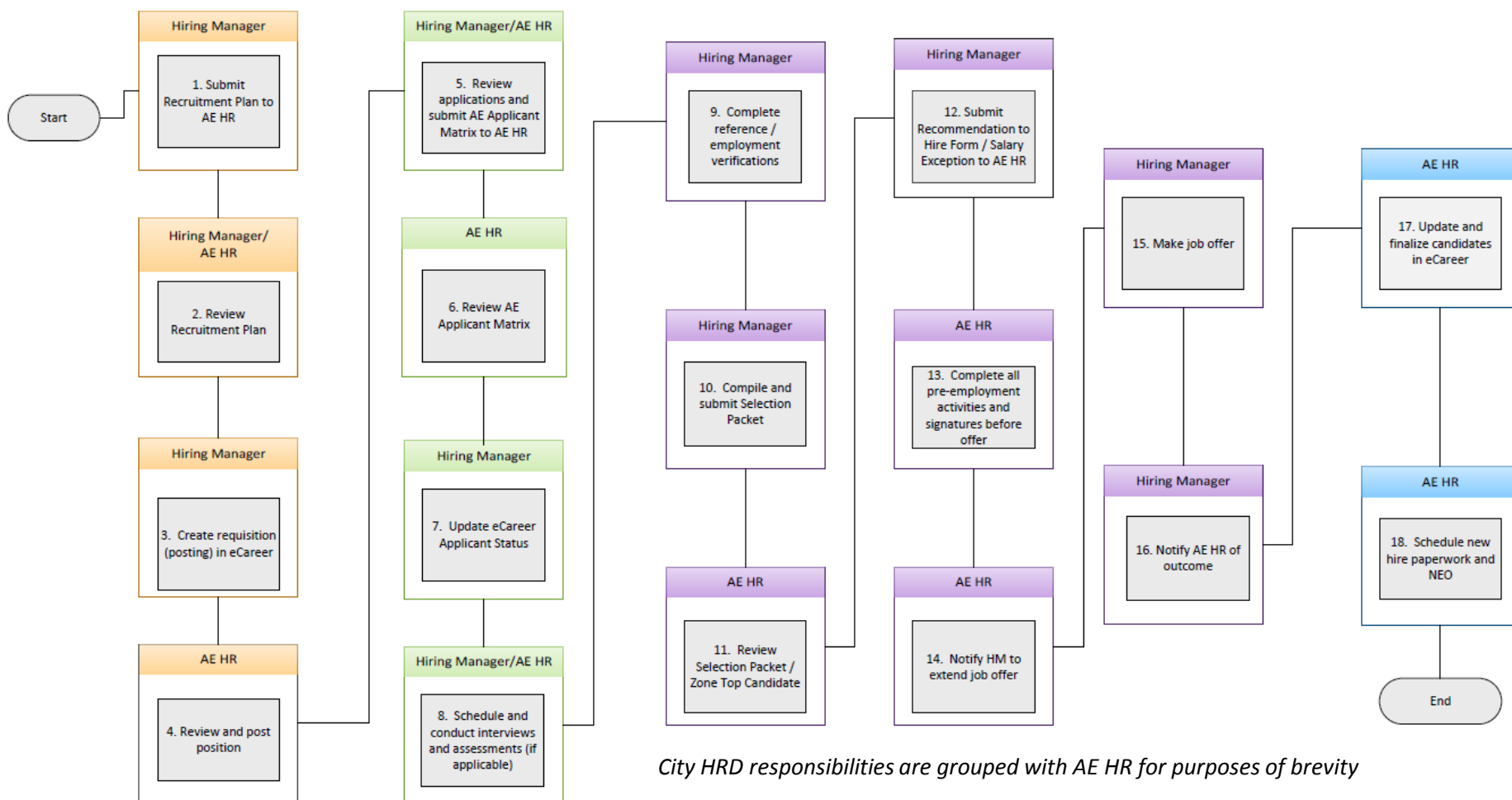
- Hiring process must comply with Civil Service and City of Austin policies
- Very manual process due to lack of a Human Capital Management (HCM) system

Position Posting (day 1-30)

Applicant Review (day 31-75)

Candidate Selection (day 76-115)

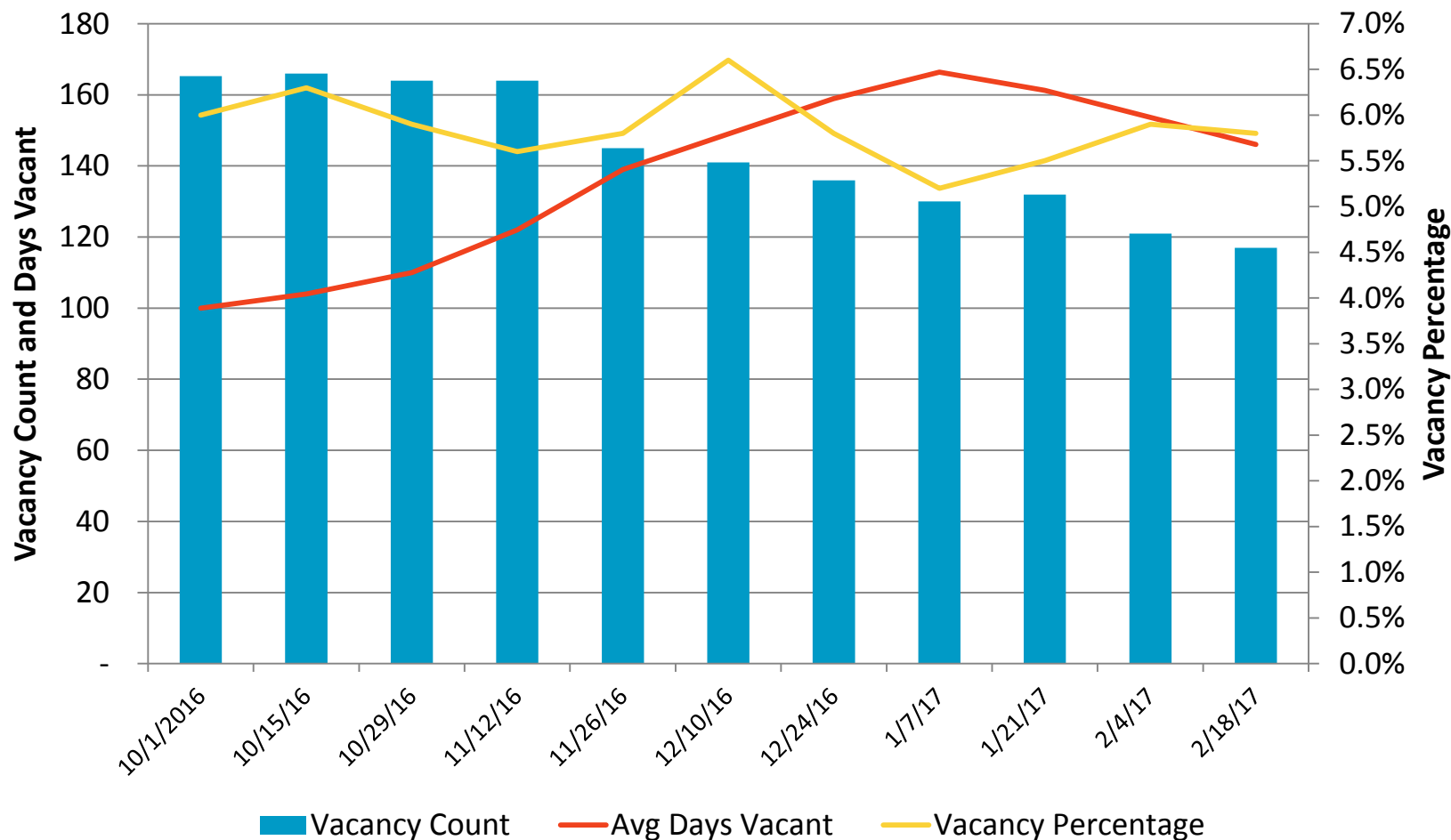
Finalize Process (day 116-120)



City HRD responsibilities are grouped with AE HR for purposes of brevity

Austin Energy Vacancy Trends

- Austin Energy added 45 positions in FY17 and all have been filled
- Austin Energy has seen improvement in all metrics but sees continued challenges with hard to fill positions



Strategies for Improving Recruitment and Employee Engagement



- Ensure Austin Energy's pay is competitive with industry leaders
- Improve the flow of information from Austin Energy HR to HRD
- Improve Austin Energy's recruiting capabilities in specialized skill sets, especially in hard to fill positions
- Establish Career Progression Programs, especially in the engineering, financial and information technology job families
- Develop more active recruiting programs and develop relationships with colleges and universities, trade schools, and area high schools
- Improve the efficiency of our hiring process to ensure well-qualified candidates aren't lost to competitors
- Support the selection and implementation of a Human Capital Management (HCM) system for the City of Austin